

**AGREEMENT**

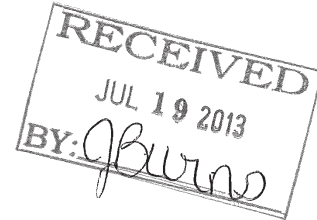
THIS AGREEMENT, made and entered into this 15 day of July, 2013 by, and between the parties herein designated as "Company" or "Contractor" is to remain effective continuously until canceled.

Company:

**Pablo Energy II, LLC**  
**PO Box 2945**  
**Amarillo, TX 79105-2945**

Contractor:

**Dan D Drilling Corporation**  
**PO Box 158**  
**Lamont, OK 74643**



WITNESSETH: THAT

WHEREAS, Pablo Energy II, LLC is engaged in the business of Oil and Gas Exploration.

And in the course of such operations regularly and customarily enters into contracts with independent contractors for the performance of service relating thereto; and

WHEREAS, Company desires, as a matter of Company policy, to establish and maintain an approved list of Contractors and to offer work or contracts only to those Contractors who are included on such approved list; and

WHEREAS, Contractor represents that it has adequate equipment in good working order and fully trained personnel capable of efficiently and safely operating such equipment and performing services for the Company.

**1.0 INSURANCE REQUIREMENTS FOR ALL CONTRACTORS AND SUBCONTRACTORS:**

Certificates of Insurance must be provided to Company as follows:

General Liability – Including contractual

With limits of not less than:

\$1,000,000 Per Occurrence

\$2,000,000 General Aggregate

\$1,000,000 Products/Completed Operations Aggregate

Automobile Liability – With limits of not less than:

\$1,000,000 Combined Single Limit

Workers' Compensation – With limits of not less than:

\$1,000,000 Each Accident

\$1,000,000 Disease Each Employee

\$1,000,000 Disease Policy Limit

**2.0 APPLICABLE TO GENERAL LIABILITY AND AUTOMOBILE LIABILITY ONLY:** Company shall be named as an additional insured and policy shall waive rights of subrogation against Company.

**3.0 APPLICABLE TO WORKERS COMPENSATION ONLY:** Policy shall waive rights of subrogation against Company.

**4.0 NOTICE OF CANCELLATION:** All such insurance shall be carried in a company or companies acceptable to Company and shall be maintained in full force and effect during the term of this Contract, and shall not be canceled, altered, or amended without thirty (30) days prior written notice.

THIS AGREEMENT CONTAINS HOLD HARMLESS AND INDEMNITY PROVISIONS. PLEASE READ CAREFULLY.

**EXHIBIT**

**2**

**DanD-001049**

## **5.0 INDEMNITY:**

### **5.1 Definitions**

“Affiliate” or “Affiliates” of a company shall mean a current or future Person directly or indirectly controlling, controlled by, or under common control with such company. “Control” for this purpose shall, in the case of a corporation with outstanding voting stock, require the direct or indirect ownership of or power to vote with respect to outstanding shares of a corporation’s capital stock constituting fifty percent (50%) or more of the votes of any class of such corporation’s outstanding stock, and with respect to any Person other than a corporation, the possession, directly or indirectly, of the power to direct or cause the direction of such person’s management or policies.

“Company Group” shall mean the following Persons individually and collectively: Company and its Affiliates, its and their co-venturers, co-owners, co-lessees, co-working interest owners, joint ventures, partners, and all of the Affiliates, and their officers, directors, shareholders, employees, agents, and representatives of all those entities. Company Group does not include any Person who is a member of the Contractor Group.

“Contractor Group” shall mean the following Persons individually and collectively: Contractor and its Affiliates, its subcontractors and their Affiliates, and the officers, directors, shareholders, employees, agents, and representatives of all those entities. Contractor Group does not include any Person who is a member of the Company Group.

“Person” or “Persons” shall include any natural person(s) as well as any legal entity including without limitation either party or member of Company Group or Contractor Group.

**5.2** Contractor agrees to protect, defend, indemnify and hold harmless Company Group from and against all claims, demands and causes of action of every kind and character without limit and without regard to the cause or causes thereof or the negligence or fault (active or passive) of any party or parties including the joint or concurrent negligence of any member of Company Group, any theory of strict liability and defect of premises, arising in connection herewith in favor of any member of Contractor Group on account of bodily injury, death or damage to property.

**5.3** Company agrees to protect, defend, indemnify and hold harmless Contractor Group from and against all claims, demands, and causes of action of every kind and character without limit and without regard to the cause thereof or the negligence or fault (active or passive) of any party or parties including the joint or concurrent negligence of any member of Contractor Group, any theory of strict liability and defect of premises, arising in connection herewith in favor of any member of Company Group on account of bodily injury, death or damage to property.

**5.4** Contractor agrees to protect, defend, indemnify and hold harmless Company Group from and against all claims, demands, and causes of action of every kind and character without limit and without regard to the cause or causes thereof or the negligence or fault (active or passive) of any party or parties including the joint or concurrent negligence of any member of Company Group, any theory of strict liability and defect of premises, arising in connection with, arising out of, or resulting from pollution or contamination (including, but not limited to, property damage, control, removal, restoration and cleanup of all pollution or contamination) which originates from the property of any member of the Contractor Group.

**5.5** Company agrees to protect, defend, indemnify and hold harmless Contractor Group from and against all claims, demands, and causes of action of every kind and character without limit and without regard to the cause or causes thereof or the negligence or fault (active or passive) of any party or parties including the joint or concurrent negligence of any member of Contractor Group, any theory of strict liability and defect of premises, arising in connection with, arising out of, or resulting from pollution or contamination (including, but not limited to, property damage, control, removal, restoration and cleanup of all pollution or contamination) which originates from the property of any member of the Company Group.

THIS AGREEMENT CONTAINS HOLDS HARMLESS AND INDEMNITY PROVISIONS.  
PLEASE READ CAREFULLY.

5.6 Both Company and Contractor agree to support their mutual indemnity obligations contained herein with insurance or qualified self-insurance with minimum limits not less than that described above and obtained for the benefit of the other party and its Group as indemnities.

6.0 This agreement will remain in full force and effect continuously until either party cancels the agreement with a minimum of ninety (90) days advance notice in writing to the other party.

7.0 This agreement applies to all the work and/or services performed by or on behalf of Contractor for Company.

Pablo Energy II, LLC  
Printed Name of Company

07-15-13  
Date

Jerry Steed  
Signature of Officer of the Company

Jerry Steed  
Printed Name of Officer

Dan D Drilling Corporation  
Printed Name of Contractor

7-17-2013  
Date

Dan Darling  
Signature of Officer of the Contractor

Dan Darling, President  
Printed Name of Officer

THIS AGREEMENT CONTAINS HOLD HARMLESS AND INDEMNITY PROVISIONS.  
PLEASE READ CAREFULLY.



DARLINOI01

LROGERS

# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

3/14/2014

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

**IMPORTANT:** If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

<b>PRODUCER</b> Messer-Bowers Company PO Box 1349 Enid, OK 73702		<b>CONTACT NAME:</b> <b>PHONE (A/C, No, Ext):</b> (580) 233-1442 <b>FAX (A/C, No):</b> (580) 242-6007 <b>E-MAIL ADDRESS:</b>	
		<b>INSURER(S) AFFORDING COVERAGE</b> INSURER A: New York Marine and General Insurance Company	<b>NAIC #</b> 16608
<b>INSURED</b> Darling Oil Corporation, 3D Well Service Darling Oil DBA Dan Darling Oil, Darco, LLC Dan D Drilling Corporation P O Box 158 Lamont, OK 74643		INSURER B : INSURER C : INSURER D : INSURER E : INSURER F :	

## COVERAGES

## CERTIFICATE NUMBER:

## REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:	X	X	PK201400004051	03/14/2014	03/14/2015	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000
	<b>AUTOMOBILE LIABILITY</b> <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS	X	X	AU201400004184	03/14/2014	03/14/2015	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
A	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED RETENTION \$	X	X	UM201400001535	03/14/2014	03/14/2015	EACH OCCURRENCE \$ 10,000,000 AGGREGATE \$ 10,000,000
	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below		N/A				PER STATUTE OTH-ER E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Drilling Contractor. Additional insured only when required by written contract.

Additional insured only when required by contract. Waiver of subrogation in favor of Pablo Energy II, LLC on the GL, Auto, Umbrella. Naming PablEnergy II, LLC as an Additional Insured on the GL, Auto, Umbrella. Drilling Contractor

## CERTIFICATE HOLDER

## CANCELLATION

Pablo Energy II, LLC P O Box 2945 Amarillo, TX 791052945	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.  AUTHORIZED REPRESENTATIVE 
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# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
1/29/2014

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

<b>PRODUCER</b> Main Street America MGA, Inc. 21977 East Wallis Drive Porter TX 77365		<b>CONTACT NAME:</b> PHONE (A/C No. Ext): FAX (A/C No.): E-MAIL ADDRESS: INSURER(S) AFFORDING COVERAGE NAIC #	
<b>INSURED</b> Dan D. Drilling Corporation 307 N Main Lamont OK 74643		INSURER A: New York Marine & General 16608 INSURER B: Insurance Company INSURER C: Dan D. Drilling Corporation INSURER D: INSURER E: INSURER F:	

COVERAGES CERTIFICATE NUMBER: CL1412911094 REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL SUBR INSR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
	<b>GENERAL LIABILITY</b> <input type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC					EACH OCCURRENCE \$ DAMAGE TO RENTED PREMISES (Ea occurrence) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ PRODUCTS - COMP/OP AGG \$ \$
	<b>AUTOMOBILE LIABILITY</b> <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS					COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
	<b>UMBRELLA LIAB</b> <input type="checkbox"/> OCCUR <b>EXCESS LIAB</b> <input type="checkbox"/> CLAIMS-MADE DED RETENTION \$					EACH OCCURRENCE \$ AGGREGATE \$ \$
C	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N <input type="checkbox"/>	Dan D. Drilling Corp. Self Insured Plan OK # 20176	2/1/2014	2/1/2015	<input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
A	<b>Excess Workers' Compensation</b>		WC2014EPP00318	2/1/2014	2/1/2015	Statutory WC \$1,000,000 E.L.*

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)  
 Subject to Self Insured Retention of \$750,000;  
 Aggregate limit: \$5,000,000. Minimum aggregate attachment: \$5,350,046

<b>CERTIFICATE HOLDER</b> (405) 767-0751 Pablo Energy II, LLC PO Box 2945 Amarillo, TX 79105-2945	<b>CANCELLATION</b> SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE Rick Walker/ASHW1
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ACORD 25 (2010/05)  
 INS025 (201005).01

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